

Before The
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

<i>In the Matter of:</i>	:	
Pimmit Branch	:	
Falls Church, Virginia 22043	:	Docket No. A2011-90
(Elaine J. Mittleman, Petitioner):	:	
	:	

**REPLY OF PETITIONER TO
RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
PETITIONER'S APPLICATION FOR SUSPENSION OF
DISCONTINUANCE FOR THE PIMMIT BRANCH,
FALLS CHURCH, VIRGINIA 22043
(October 11, 2011)**

Petitioner Elaine Mittleman hereby respectfully submits this Reply to the Response of the United States Postal Service (õPostal Serviceö) to the Application for Suspension of Discontinuance for the Pimmit Branch, Falls Church, Virginia 22043. This Reply presents an overview of the Postal Service initiative to close postal facilities. It then includes a discussion of the Pimmit Branch and its proximity to Tysons Corner. The Reply also describes the type of notice given to the customers of the Pimmit Branch. It is respectfully requested that the application for suspension of discontinuance for the Pimmit Branch be granted.

POSTAL SERVICE CLOSING INITIATIVE

The recent initiative to close post offices appears to have been undertaken because of the severe budgetary problems facing the Postal Service. However, the Postal Service apparently has not conducted an analysis to show which post offices are losing money and how closing post offices will affect the budgetary losses.

In its closing analysis for each facility, the Postal Service discusses economic or cost savings. This savings estimate is different from a profit-and-loss calculation. Presumably, closing any facility would result in cost savings. Thus, the estimate of cost savings provides no guidance as to whether closing a facility will help the budget of the Postal Service.

Further, even if relying on estimates of cost savings were a valid measure, the closings do not provide any material affect on the Postal Service budget. The cost savings estimate, if all the proposed 3,653 closings occurred, is \$200 million annually. *See* Interrogatory Response of United States Postal Service Witness Boldt (attached hereto).

If the cost savings of the proposed closings of 3,653 post offices are

achieved, that would be a cost savings of about \$54,750 per station. The cost savings do not include any consideration of lost revenue and the negative impact on customer loyalty and goodwill from the closings. An annual cost savings of \$200 million from closing 3,653 post offices would have essentially no effect on a Postal Service budget that has lost billions annually.

Further, a fundamental element of the Postal Service's business plan is to increase revenue. The consultants to the Postal Service recommended that we concentrate on our core mailing and shipping businesses - to concentrate on retaining and growing what we have. See Keynote Address by John E. Potter, Postmaster General and Chief Executive Officer, U.S. Postal Service, 2010 National Postal Forum, April 12, 2010, page 3 (attached hereto).

The initiative to close retail post offices seems to violate the premise of the business plan. The Postal Service cannot grow its mailing and shipping business by closing stores. A key competitive advantage of the Postal Service is the network of convenient facilities staffed with knowledgeable workers. Imagine if McDonald's, Starbucks or Subway undertook a process to close many stores. The result would not be increased revenue, but anxiety for the

customers about what would happen next. The recent demise of Borders shows that a plan to close retail facilities can conclude with the total collapse of the company.

The alternatives to the retail stores offered by the Postal Service provide only a portion of needed services. Customers who want to ship or pick up packages cannot do that at a grocery store or drug store that sells stamps. The Carrier Pickup Program also does not meet many of the criteria of good service. The uncertainty of the time of pickup is a great concern. The instructions for scheduling a pickup state "Your carrier can pick up your shipment free when he comes around if you're using an expedited service." See USPS Schedule a Pickup (attached hereto). Many customers will not want to wait for a pickup when the carrier comes around, with no guidance as to when that might happen. Also, customers will not want to put valuable packages on the front porch and hope the carrier retrieves them.

There is an option called Pickup On Demand®. See USPS Pickup On Demand® (attached hereto). That option is available for just one low fee of \$15.30. Also, mail weighing more than 13 ounces bearing only postage stamps must be taken by the customer to a retail counter. Clearly, the

shipping needs of postal customers are better served by retail post offices, rather than carrier pickup. The capabilities of the staff at retail post offices also must be considered. The postal customers frequently need advice or suggestions as to the proper method of shipping and packaging mail. This valuable information is not readily available on the internet and customers may not want to trust important packages to their own estimates of required postage.

The Postal Service also does not seem to include in its analysis the usage of the blue collection boxes. It is unclear whether the collection boxes connected with or near facilities to be closed will still be available. Similarly, it is not clear if the Postal Service assumes that customers will make a trip to the postal facility simply to mail a letter or whether there will be other collection locations more conveniently located.

Thus, it does not appear that the closing initiative will provide any substantive remedy to the budget problems of the Postal Service. To the extent that the closings cause lost revenue, customer anxiety and a diminution in the efficiency of the network of post offices, the campaign to close post offices may exacerbate the financial distress suffered by the Postal Service.

The closing initiative also appears to have placed a strain on the closure process. In past years, there were very few closings and, as a result, minimal substantive development of closing procedures. Attached are comments of Elaine Mittleman, submitted on October 3, 2011, in Docket No. RM2011-13 concerning appeals of post office closings. The comments discuss some of the shortcomings in the notice procedures and record compilation by the Postal Service in the closing process.

PIMMIT BRANCH AND TYSONS CORNER AREA

The Pimmit Branch is located at 7520 Leesburg Pike, Falls Church, Virginia 22043. Even though it has a Falls Church mailing address, the Pimmit Branch is not in the city of Falls Church. The Pimmit Branch is in the Pimmit Hills neighborhood. Pimmit Hills is located in Fairfax County, Virginia, and is administered by the Fairfax County government.

The Pimmit Branch is easily accessible from Tysons Corner. *See* attached map from 7520 Leesburg Pike to 8028 Leesburg Pike (address of Tysons Corner Marriott). The Pimmit Branch is slightly more than a mile from Tysons Corner Center, a major shopping center.

The Tysons Corner region is a widely-known major urban area. It has

26.7 million square feet of office space and five Fortune 500 headquarters. There is substantial further development planned with additional Metro stops and rail to Dulles International Airport. It is anticipated that the number of residents will increase fivefold, to 100,000, by 2050. *See Jonathan O'Connell, Tysons Corner: The building of an American city, The Washington Post, September 24, 2011 (attached hereto).*

The Pimmit Branch is one of three postal facilities located within two miles of Tysons Corner. *See Post Office locations in the Tysons Corner, VA area (attached hereto).* Closing a branch so close to Tysons Corner, which is anticipated to have massive growth, makes no business sense whatever. The Postal Service should be thankful that it has a long-standing facility in such a valuable and sought-after location. The Postal Service's closing analysis resembles urban planning that assumes the major urban area is a one stoplight town in rural America.

The Final Determination to close the Pimmit Branch (õFinal Determinationö), attached hereto, makes no mention of the existence of Tysons Corner and the effect of its development and growth on the Pimmit Branch. The Final Determination clearly fails to give a correct analysis in the

Effect on Community category with its complete omission of the Tysons Corner region. As will be discussed below, the arguments and pleadings submitted by the Postal Service consist almost entirely of boilerplate language unsupported by any record material. The failure to explain that Pimmit Hills is located in the Tysons Corner area is one example of the profound lapses in the documents prepared by the Postal Service.

RELOCATION OF FALLS CHURCH RETAIL FACILITY

The Falls Church Finance Station is located at 800 W. Broad Street in The Flower Building. The new building features Vienna school Art Nouveau design and was given the nickname, "The Flower Building," by a Falls Church Councilman. See Nicholas F. Benton, *Art Nouveau Design Puts F.C. on Map*, Falls Church News-Press, December 11, 2008; Nicholas F. Benton, *Secret to His Success: How Bob Young Fills His Retail Spaces*, Falls Church News-Press, August 18, 2010 (attached hereto). The Falls Church Finance Station is the anchor tenant of The Flower Building. See notice about available commercial space in Falls Church (attached hereto).

In a news release dated June 8, 2009 (attached hereto), the Postal Service announced that it would be relocating the Falls Church Post Office

retail operation and post office box services from 301 W. Broad Street to 800 W. Broad Street. The release stated that the move is necessary to make way for the new Falls Church City Center currently under construction. The new City Center will be built on the city-owned public parking lot currently used by Broad Street Postal Customers. It does not appear that the customers of the Pimmit Branch were given notice and an opportunity to comment on the relocation of the retail operation from 301 W. Broad Street to 800 W. Broad Street.

The Postal Service release stated that the relocation to 800 W. Broad Street was necessary because the Falls Church City Center was under construction. However, the Falls Church City Center project has been abandoned. *See Secret to His Success*, Falls Church News-Press, page 3.

In a news release dated September 2, 2009 (attached hereto), the Postal Service announced that 413 retail stations and branches remained under consideration for possible consolidation. The release described the extremely difficult financial position of the Postal Service and stated that it had removed more than \$6 billion in costs in 2009.

It is useful to understand the lease terms for 800 W. Broad Street, 301

W. Broad Street and 7520 Leesburg Pike [the Pimmit Branch]. The lease at 800 W. Broad Street, Suite 100, Falls Church, 22046, became effective on April 1, 2009. It has an expiration date of March 31, 2024. The lease at 301 W. Broad Street, Falls Church, VA 22046, became effective on March 1, 2003. The expiration date is February 28, 2013. The lease at 7520 Leesburg Pike, Falls Church, VA 22043, became effective on November 1, 2005. The expiration date is October 31, 2012.

The annual rent for 800 W. Broad Street is \$234,000. The annual rent for 301 W. Broad Street is \$322,198.50 (excluding related parking facilities). The annual rent for 7520 Leesburg Pike is \$78,676.32.

The retail facility at 800 W. Broad was opened on June 20, 2009. The post office at 301 W. Broad Street was occupied in March 1955. The Pimmit branch at 7520 Leesburg Pike was occupied in September 1980. *See* Falls Church post office facility lease information (attached hereto), viewed at <http://about.usps.com/who-we-are/foia/leased-facilities/md.csv>.

In the Final Determination concerning the Pimmit Branch, one of the customer concerns was about the parking at the Falls Church post office. The response stated that the planning for the new Falls Church Post Office took

into consideration additional parking. í During rush hour, it may be difficult to make left hand turns on to Broad Street. It is recommended to make right hand turns during the high traffic time period.ö

The plan to close the Pimmit Branch was presumably an integral part of the planning for the relocation of retail services to 800 W. Broad Street. The result of the move to 800 W. Broad Street is that the Postal Service now has lease obligations for two facilities (plus related parking) - 301 W. Broad and 800 W. Broad - when it previously had only the obligation for 301 W. Broad. In other words, the Postal Service incurred a new lease obligation, but did not eliminate the existing lease obligation. The lease payments have increased from \$322,198.50 for 301 W. Broad to \$556,198.50 for both facilities.

Moreover, the lease for 800 W. Broad is a long-term lease with an expiration date of March 31, 2024. Incurring such a long-term obligation would seem to violate prudent leasing practices, particularly with the uncertainty in the real estate market. The Postal Service should explain why it entered into such a costly and long-term lease in 2009, when it was facing an extremely difficult financial situation and was forced to cut \$6 billion in

costs.

It seems likely that the Pimmit Branch is being closed to make up for the extremely costly lease obligation at 800 W. Broad Street. The Postal Service should review the operations of the facility at 800 W. Broad Street. If the purpose of closing facilities is to reduce costs and help the dire financial situation of the Postal Service, then closing the facility at 800 W. Broad Street would provide substantial cost savings. The retail service presently at 800 W. Broad Street could be relocated back to 301 W. Broad Street, where it previously was located. In addition, the parking and accessibility at 301 W. Broad Street are far superior to 800 W. Broad Street.

Another advantage of moving the retail operations back to 301 W. Broad Street would be having the retail and carrier operations in the same building. There have been communication and other difficulties in making deliveries because the retail and carrier operations are not in the same building, as they were before the relocation of the retail operations to 800 W. Broad Street. If the reason for moving to 800 W. Broad was the construction of the City Center development, that reason no longer exists. If the Postal Service needs to close a facility to achieve cost savings, terminating the lease

for the suite located at 800 W. Broad Street would be much more cost-effective than closing the Pimmit branch.

**NOTICE OF CLOSING FOR PIMMIT BRANCH
AND OPPORTUNITY TO COMMENT**

In a letter dated January 7, 2010 (attached hereto), Roberts S. Gingell, Senior Manager, Post Office Operations, Merrifield, VA 22081-9998, wrote to postal customers. He stated that consolidation of the Pimmit Branch was currently under consideration. The letter asked that the enclosed questionnaire be completed and returned by January 19, 2010. This letter used boilerplate language. For example, a letter dated August 5, 2009 (attached hereto), concerning the University Station post office in Eugene, Oregon, contained essentially identical language.

On January 18, 2010, the president of the Pimmit Hills Citizens Association sent an email (attached hereto). The email stated that the letter requesting comments about the Pimmit closure was due January 19 (the next day). The email also stated that the information had just been received that day (January 18). The petitioner in this appeal, Elaine Mittleman, sent a reply email dated January 20, 2010 (attached hereto). That email indicated that the surveys had only been sent to those with post office boxes and not to those

who use the post office.

In a letter dated January 21, 2010 (attached hereto), Elaine Mittleman wrote to Mr. Gingell, expressing her strong opposition to closing the Pimmit Branch. She noted that it appeared that the surveys were given only to those who have post office boxes at the Pimmit Branch. She stated that was a completely invalid survey method and that many customers at the Pimmit Branch do not have post office boxes. It does not appear that the Postal Service considered or responded to the letter sent to Mr. Gingell by Elaine Mittleman.

The notice that the Pimmit Branch would be closed was in a letter posted at the Pimmit Branch. The letter dated September 14, 2011 (attached hereto), states that "the Pimmit Branch, located at 7520 Leesburg Pike, Falls Church, VA will discontinue operations effective close of business on November 10, 2011." The letter was signed by George S. Chichester, Senior Manager, Post Office Operations, Merrifield, VA 22081-9998.

The Postal Service has not explained what studies and actions were undertaken between the letter dated January 7, 2010, and the letter dated September 14, 2011. Ms. Mittleman is unaware of any additional notices or

opportunities to comment during that time period. There was no community meeting. In other words, the letter dated September 14, 2011, which announced the closing of the Pimmit Branch, gave startling and very upsetting news to the postal customers of the Pimmit Branch.

In an email to George Chichester dated October 4, 2011 (attached hereto), Ms. Mittleman stated that she had filed an appeal. She also explained that the information received from the Postal Regulatory Commission indicated that the Postal Service should take no action to close a post office until 60 days after the written determination is made available to persons served by that post office. Further, she noted that the proposed closing date of November 10, 2011, is fewer than 60 days after September 14, 2011, the date of the closing letter.

In a letter to Ms. Mittleman dated October 5, 2011 (attached hereto), Mr. Chichester stated that the closure of the Pimmit Branch cannot occur until 60 days after the Final Determination was signed. Mr. Chichester indicated that the Postal Service was in compliance with the 60 day restriction because the Final Determination was signed on June 20, 2011. Mr. Chichester also stated that "It should also be pointed out that Final Determinations were not

to be posted for Station and Branches of a Post Office.ö

In an email to Mr. Chichester dated October 6, 2011 (attached hereto), Ms. Mittleman asked several follow-up questions. She noted that, based on Mr. Chichester's comments about the Final Determination having been signed on June 20, 2011, the 60-day notice period from the date of the Final Determination would have run before the closing letter dated September 14, 2011.

Even if there continues to be a dispute between the Postal Service and the Postal Regulatory Commission about the type of notice and opportunity to comment required, based on whether the facility is a post office or a station or branch, it seems that there are statutory notice requirements. For example, the provision in 39 U.S.C. § 404(d)(4) states that "The Postal Service shall take no action to close or consolidate a post office until 60 days after its written determination is made available to persons served by such post office.ö

Moreover, the statement by Mr. Chichester that "Final Determinations were not to be posted for Station and Branches of a Post Office" is troubling. The position of the Postal Service seems to be a direct violation of the

requirement in 39 U.S.C. § 404(d)(3) that "determination and finding [to close a post office] shall be made available to persons served by such post office."

The position of the Postal Service is that it does not have to comply with the 60-day notice requirement for stations and branches or the requirement to make Final Determinations available to postal customers. Thus, the Postal Service arguably believes that it does not have to comply with any statutory requirements for closing stations and branches. Apparently, according to the Postal Service, stations and branches are not covered by requirements concerning post offices. Following that reasoning, it can be questioned whether the Postal Service believes that there are any procedural requirements whatever for closing stations and branches. The Postal Service may take that position that it can simply close stations and branches at will and without justification.

The Postal Service should have thorough and substantive notice and comment procedures for all closings. This process would benefit the Postal Service by allowing it to understand potential issues from the customers' viewpoint and by alleviating the anxieties and ill-will generated by the

closings. If postal customers feel that they at least have a fair chance to speak and be heard, they might be more willing to accept the painful closing decisions.

THE PIMMIT BRANCH IS PROFITABLE

In making the determinations about closing post offices, the Postal Service does not include a profit-and-loss statement. Instead, the Postal Service discusses economic savings or cost savings. Even if estimates of the savings are correct, they do not indicate whether a branch is profitable or incurring losses. There is a stark difference between costs and losses. The Postal Service apparently fails to comprehend the difference. There would be economic savings or cost savings if any facility is closed, but that does not provide guidance as to whether the facility should be closed. Presumably, the Postal Service is seeking to close the facilities that are losing money and to keep the profitable facilities in operation. The references to economic savings or cost savings in the Final Determinations do not explain if a facility is profitable or losing money, so they provide no justification for closing a facility based on the financial difficulties of the Postal Service.

The Final Determination for the Pimmit Branch shows revenue of

\$687,149 in FY 2009, \$844,764 in FY 2008 and \$821,543 in FY 2007.

The economic savings shown in the Final Determination are \$117,743. If this savings is subtracted from the most recent revenue figure, \$687,149, the net is \$569,406. Even if this amount is not the actual net income, it shows that the Pimmit Branch is earning a substantial profit. The revenues of the Pimmit Branch are quite large. Further, with the expansion of Tysons Corner, the revenues presumably will increase because of the proximity of the Pimmit Branch to Tysons Corner. The Pimmit Branch also has ease of access for vehicles and pedestrians and readily-available parking.

The Final Determination also failed to state that the Pimmit Branch's hours had been reduced, which likely explains some of the lost revenue. At the present level of revenue, the Pimmit Branch is extremely profitable. The Postal Service should be very glad to have a profitable branch in such a desirable location near Tysons Corner. There is no valid business reason to close the Pimmit Branch.

Further, the Postal Service should compare the profits at the Pimmit branch with the financial situation at The Flower Building in Falls Church. In light of the lease payment at The Flower Building, which apparently is

\$234,000 per year, the Pimmit branch is surely the more cost-effective. A proper financial analysis of closings would presumably show that the station at The Flower Building should be closed and the Pimmit branch should remain open. Because the Postal Service continues to insist on the distinction between post offices and stations and branches, it should be noted that neither The Flower Building location nor the Pimmit location are main post offices.

One of the comments in the Final Determination concerned losing the exceptional service received at the Pimmit Branch. The response was that “Courteous and helpful service will be provided by personnel at the Falls Church Main Post Office and other post offices in the area.” Again, because of the Postal Service’s continued distinction between post offices and stations and branches, this response appears incorrect. There apparently is no “Falls Church Main Post Office.” The facility at 800 W. Broad is a Finance Station, not a “Main Post Office.”

Using the distinction relied upon by the Postal Service, arguably any postal facility in Falls Church (or possibly most of Fairfax County) could be closed without adequate notice, because those facilities are not considered Post Offices. A review of arguments presented about the distinction between

Post Offices and stations and branches suggests that the significance of a Post Office is more a relic of rural America and has little meaning in urban areas, where the population spreads across towns and counties. From the postal customers' perspective, there is no difference between what used to be considered a Post Office and the other phrases now used for facilities, including Finance Stations and Branches. They are all post offices.

The closing review process should apply to all facilities. If the basis for closing facilities at this time is because of the budgetary problems of the Postal Service, the first step in any review process should be to determine whether the facility is profitable. Based on the revenue and other information included in the Final Determination, the Pimmit Branch is very profitable. Closing the Pimmit Branch would further exacerbate the budgetary problems of the Postal Service.

ARGUMENT

- I. The application for suspension should be granted to permit the appeals process to proceed without the Postal Service incurring increased costs and loss of revenue.**

The application for suspension of the determination to close the Pimmit Branch should be granted. As discussed above, the Pimmit Branch is

profitable. The Postal Service will suffer a loss in revenues if the Pimmit Branch is closed during the appeal process. Also, the appeal process extends through the holiday season, when the revenues will probably be increased because of holiday mailings. In addition, the Postal Service may incur costs for terminating the lease. Those costs may be minimized if other arrangements about the lease are made.

Moreover, petitioner Mittleman submits that there is a probability that this matter may be remanded for further consideration. If the Pimmit Branch has been closed and then the matter is remanded, the Postal Service and patrons will suffer increased costs and confusion about the process.

A recent ruling is pertinent to the application for suspension in this case. That ruling was in the appeal involving the Lafayette Postal Facility, Freehold, New Jersey 07728, PRC Docket No. A2011-19. On June 22, 2011, a petitioner filed an application to suspend the Postal Service's determination to close the Lafayette Postal Facility. The Postal Service intended to close the facility on July 29, 2011. In a response filed on July 5, 2011, the Postal Service opposed the application for suspension.

In Order No. 762, issued on July 19, 2011, the Postal Regulatory

Commission denied the application for suspension. Chairman Goldway dissented from denying the application for suspension, explaining that the public and the Postal Service will be better served if affected offices are not closed until completion of the ongoing review process. The dissent also explained that maintaining operations at a retail facility pending disposition of an appeal will not materially increase Postal Service costs and, in the long run, will avoid unnecessary expenses and public confusion about the process.

In light of the new rules concerning discontinuance of retail facilities, 76 FR 41413, July 14, 2011, it is more expeditious and cost-effective to maintain operations at a retail facility pending the disposition of an appeal. The application for suspension should be granted.

II. The Postal Service should provide information about the lease at the Pimmit Branch, including whether there are costs for early termination of the lease.

In its Response at page 4, the Postal Service stated that it has given notice to the lessor of the termination of the lease, in accordance with the terms of the lease. However, this Response does not provide any specific information, including whether there was a one-time cost for breaking the

lease. The Response also has not attached the lease document which would show the terms of the lease.

According to the information cited above, the lease at 7520 Leesburg Pike, Falls Church, VA 22043, became effective on November 1, 2005. The expiration date is October 31, 2012. It is not clear if the Postal Service has advised the lessor of the facility of the closing date of November 10, 2011. That date is almost one year before the lease terminates.

A concern in many of the closings has been the expense associated with lease terminations and one-time costs for breaking leases. The Postal Service should provide information about the lease at the Pimmit Branch, including whether there is a penalty for breaking the lease. If the Postal Service incurs costs to break the lease, it would be more cost-effective to let the lease run its course. Particularly because the Pimmit Branch is profitable, continuing to operate at that location would provide additional profits to the Postal Service.

If the Postal Service terminates a lease before it notifies postal customers of the determination to close the facility, then it can argue that the lease termination justifies the closing. The Postal Service must comply with

proper notice procedures and permit review of the closing before it incurs additional costs to terminate the lease.

III. The inadequate notice favors suspension of the closing of the Pimmit Branch while this appeal is pending.

The serious questions presented by the lack of notice and an opportunity to comment favor suspending closure while this appeal is pending. In its Response at page 3, the Postal Service stated that the Postal Service also made the questionnaire available over the counter for retail customers at the Pimmit Branch. This assertion is the type of boilerplate argument made by the Postal Service. According to the emails discussed above, the Postal Service only sent letters to those with post office boxes. Further, the Postal Service did not provide a 60-day notice period from the September 14, 2011, letter announcing the closure of the Pimmit Branch until the planned closing date of November 10, 2011.

The Postal Service asserted in the Response at page 5 that "many customers of the Pimmit Branch have made and scheduled their own adjustments to accommodate their needs to send and receive mail based on the scheduled November 10, 2011 discontinuance." The Postal Service provided no record material to explain its knowledge as to what customers

have done to plan for the November 10, 2011, discontinuance. Further, the letter giving notice of the closing of the Pimmit Branch is dated September 14, 2011, which is less than a month ago. It is certainly likely that many customers have not yet made adjustments. The Postal Service also provides no description of these adjustments. Is it referring to customers ordering new stationery? This claim by the Postal Service appears to be another example of boilerplate language. The identical language was used in its Response at pages 4-5 to the application for suspension in the Freehold, New Jersey appeal, PRC Docket No. A2011-19 (July 5, 2011).

The appeal process has a fixed schedule. The costs incurred to close a facility and reopen it far outweigh any harm from a short delay in closure if the determination of the Postal Service to close the Pimmit Branch is affirmed. In light of the inadequate notice given to the Pimmit Branch customers, a suspension of the closing would give them additional time to make whatever adjustments the Postal Service is referring to.

IV. The process to make closing determinations conducted by the Postal Service consists of boilerplate analysis and arguments.

The arguments made by the Postal Service may be superficially appealing if only one case is reviewed, as would be the situation for most of

the postal customers. However, a review of the overall practice of the Postal Service makes readily apparent that it simply relies upon boilerplate language and off-the-shelf analysis for each case. Thus, suspension of the closing would provide additional opportunity for the Postal Service to provide record material specific to the Pimmit Branch.

Following are examples of the faulty or boilerplate analysis used by the Postal Service.

1. The Postal Service continues to insist there is a distinction between main post offices and stations and branches.

It is not necessary to discuss this supposed distinction in detail, because the Postal Service apparently raises this as its first argument in every document and pleading. It is clear that this is not a position acceptable to the Postal Regulatory Commission, but the Postal Service continues to rely on it as its primary argument. Even if, for some reason, the Postal Service were not required to give notice and an opportunity to comment for station and branch customers, the Postal Service should value that opportunity and seek comments on its own initiative in the attempt to reach better decisions and improve relations with its customers.

Most postal customers are wholly unaware of the long-standing

position of the Postal Service about the distinction between post offices and stations and branches. To the extent that the Postal Service continues to focus on that distinction to argue that it does not need to provide notice, it only reinforces the impression that the Postal Service is out-of-touch and indifferent to the needs of modern, busy customers, including long-time patrons of stations and branches.

2. Mileage should not be the only measure to evaluate alternate service.

The only guidepost for evaluating alternate service seems to be the distance in miles to other facilities. The mileage chart used by the Postal Service provides no information on which to base a closing decision. Every postal facility is within two (or pick another number) miles from another facility. The fact that there is a certain distance to the next facility is true for all facilities and does not provide any useful information as to which of those facilities, if any, should be closed.

Further, the Postal Service seems to use the same mileage determinant in any environment, whether urban or rural. Other factors would provide more useful guidance about availability of alternate service. These include: travel time, traffic, public transportation, pedestrian usage, availability of

parking, accessibility of facility from various directions, type of neighborhood, proximity to other destinations, such as grocery and drug stores (to reduce total travel time for patrons), and effects from weather conditions, such as icy streets or floods.

The fact that there are other postal facilities two miles (again, this could be a different number) away may be one of the advantages of the Postal Service. One competitive advantage which may help the budget of the Postal Service is to have convenient customer service. Making access to the postal facilities more difficult and time-consuming will cause the loss of customers and thus harm, rather than help, the Postal Service budget. Imagine if Starbucks (or many other stores) planned its facilities by saying that a Starbucks is not needed because another Starbucks is two miles away. Customers will not travel miles to go to a store and will seek other options that are more convenient.

3. A financial analysis of the postal facilities has not been conducted.

The unarticulated motivation for closing postal facilities is apparently that closings are required because of the severe budget problems of the Postal Service. However, the Postal Service has not substantively explained that the

branches are losing money or that closing them will improve the budget. The Postal Service does not perform a financial analysis or profit-and-loss determination for the postal facilities. It is impossible to base any closing decision on budgetary concerns without a financial analysis.

In its new rules, the Postal Service stated that "situation-dependent and speculative factors like revenue leakage are difficult to quantify." 76 FR 41413, 41418, July 14, 2011. The Postal Service cannot perform a substantive determination of economic savings and the financial impact of closing a facility if it does not quantify the revenues of a post office and at least estimate the revenues lost from a closing.

The methodology used now by the Postal Service is meaningless. Based on its present method, closing any facility will produce some type of economic savings or cost savings in the form of savings on lease payments and employee compensation. In the absence of also quantifying revenues, these cost savings provide no guidance concerning which facilities should be closed. The larger and busier post offices would probably show the greatest cost savings if they were closed. Thus, the calculation of economic savings or cost savings, without any reference to revenue or net profit, provides no

substantive fiscal measure to make a determination about closing. Without proper financial analysis, the closing determinations may actually further exacerbate the severe budget difficulties of the Postal Service.

The Pimmit Branch is a good example of the risk caused by a lack of financial analysis. The Postal Service has decided to close the Pimmit Branch, but has not stated that the Pimmit Branch should be closed because it is losing money. If the Pimmit Branch is profitable, it makes good business sense to keep it open.

CONCLUSION

For the foregoing reasons, the application for suspension of the scheduled closing of the Pimmit Branch should be granted.

Respectfully submitted,

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Petitioner